

A G E N D A

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

April 30, 2004

9:00 a.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - March 11, 2004

III. CHAIR'S REPORT

IV. WATER SUPPLY REPORT

Randy Julander

V. FEASIBILITY REPORTS

County

E127 Hi-Country Estates Homeowners Assoc.

Salt Lake

VI. SPECIAL ITEMS

E117 Mountain Regional Water SSD
(Additional Funds)

Summit

E124 Consolidated Sevier Bridge Res. Co.
(Recommittal of Funds)

Juab

E135 Taylor Flat Irr. Co.
(Feas. Report & Committal of Funds)

Millard

E137 City of St. George
(App. Sum., Feas. Rpt., & Comm. of Funds)

Washington

VII. ELECTION OF OFFICERS

VIII. DIRECTOR'S REPORT

IX. OTHER ITEMS

X. NEXT BOARD MEETING - July 8 & 9, 2004 - Carbon/Emery Counties

XI. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Metropolitan Water District
of Salt Lake & Sandy Offices
3430 East Danish Road
(9000 South)
Salt Lake City, Utah

April 29, 2004

approximately
2:30 p.m.

- | | | |
|------|------------------------|----------------|
| I. | WELCOME/CHAIR'S REPORT | Chairman Riley |
| II. | DISCUSSION OF PROJECTS | Board/Staff |
| III. | OTHER ITEMS | |

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

April 30, 2004

Funds Available for Projects This FY	\$ 6,725,000
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Projects Contracted This FY

1 Marion Waterworks Co	E053	\$ 320,000
2 Lake Shore Irr Co	E106	141,000
3 Pioneer Land & Irr Co	E107	90,000
4 Bear River Canal Co	E097	656,000
5 Porcupine Highline Canal Co	E062	112,000
6 The Dammeron Corp	E115	310,000
7 Consolidated Sevier Bridge Res Co	C023 Grant **	3,625,000
8 New Escalante Irr Co (Wide Hollow Dam)	C030 Grant **	275,000
Contracts for Dam Safety Studies	**	<u>10,000</u>

Total Funds Contracted	\$ 5,539,000
Funds Balance	\$ <u>1,186,000</u>

Projects with Funds Committed

* 1 Consolidated Sevier Bridge Res Co	E124	\$ 283,000
2 Kanab Irr Co	D968	377,000
3 South Willard Water Co	E119	300,000
4 Mosby Irr Co	D730	2,800,000
* 5 Taylor Flat Irr Co	E135	28,000
6 Kays Creek Irr Co (Adams Dam) Amd	C001 Grant **	4,000
Commitments for Dam Safety Studies	**	<u>136,000</u>
Total Funds Committed		\$ 3,928,000
Funds Balance		\$ <u>(2,742,000)</u>

Projects Authorized

1 Deseret Irr Co	E056	\$ 432,000
2 West Panguitch Irr & Res Co	E105	137,000
* 3 Hi-Country Estates Homeowners Assn	E127	406,000
Total Funds Authorized		\$ 975,000
Remaining Funds Available		\$ <u>(3,717,000)</u>

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

April 30, 2004

Funds Available for Projects This FY	\$ 2,192,000
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Bonds Closed This FY

1 Johnson Water District	E070	\$ 396,000	
2 Trenton Town	L534	<u>1,304,000</u>	
Total Bonds Closed			\$ 1,700,000
Funds Balance			<u>\$ 492,000</u>

Projects with Funds Committed

1	\$ -	
Total Funds Committed		\$ -
Funds Balance		<u>\$ 492,000</u>

Projects Authorized

1	\$ -	
Total Funds Authorized		\$ -
Remaining Funds Available		<u>\$ 492,000</u>

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status

April 30, 2004

Funds Available for Projects This FY \$ 16,950,000

Projects Contracted/Bonds Closed This FY

1 Wolf Creek Water Conservancy Inc.	E089	\$ 611,000
2 Davis & Weber Counties Cnl Co (Ph 4)	E112	545,000
3 Centerville City	L544	1,142,000
4 Taylor-West Weber WID	E095	825,000
5 City of South Jordan (Bond Ins)	E114	130,000
6 Hooper Irr Co (Press Irr, Ph 1 Amend)	E060	1,402,000
7 Davis & Weber Counties Cnl Co	E123	2,735,000
8 Mountain Regional Water SSD (Bond Ins)	E117	350,000
9 New Santa Clara Field Canal Co	E069	1,445,000
10 Tropic & East Fork Irr Co (Ph 1)	E104	600,000

Total Funds Contracted/Closed	\$ 9,785,000
Funds Balance	\$ 7,165,000

Projects with Funds Committed

1 Lake Creek Irr Co (Ph 1)	E102	22,500
2 Magna Water Co an Improve Dist (Amend)	E068	360,000
3 Washington County WCD (Ivins)	D925	2,000,000
4 Town of Springdale	E118	850,000
5 Hooper Irr Co (Press Irr, Ph 1 Amend)	E060	638,000
6 Pleasant Grove City	E126	115,000
7 MWD of Salt Lake & Sandy	E134	500,000
* 8 Mountain Regional Water SSD (Bond Ins)	E117	248,000
* 9 City of St. George (Bond Ins.)	E137	145,000

Total Funds Committed	\$ 4,879,000
Funds Balance	\$ 2,286,000

Projects Authorized

1 Strawberry High Line Canal Co	D976	\$ 3,187,000
2 Center Creek Culinary Water Co	E020	450,000
3 Uintah WCD (Island Ditch)	E036	720,000
4 Ephraim Irr Co	E061	1,155,000
5 Richland Nonprofit Water Co	E087	335,000
6 Lake Creek Irr Co (Ph 2)	E102	300,000
7 Tropic & East Fork Irr Co (Ph 2)	E104	220,000
8 West Point City	L546	410,000
9 Centerfield Town	L547	255,000
10 New Escalante Irr Co	E077	300,000
11 Holliday Water Co	E122	1,500,000

Total Funds Authorized	\$ 8,832,000
Remaining Funds Available	\$ (6,546,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

April 30, 2004

ADDITIONAL ACTIVE PROJECTS			Fund	Est. Board Cost	Total Cost
Authorized or Committed Projects					
1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D		\$ 10,379,000	\$ 12,211,000
2 Central Utah WCD (Prepay FY98,99,00)	D960	C&D		3,000,000	3,000,000
3 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D		27,721,000	32,613,000
4 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D		15,497,000	18,232,000
5 Hooper Irr Co (Press Irr, Ph 2-4)	E060	C&D		11,857,000	13,950,000
6 Town of Brian Head	L541	C&D		1,700,000	2,000,000
7 City of Cedar Hills	E099	C&D		31,200	31,200
Subtotal				\$ 70,185,200	\$ 82,037,200
Projects Under Investigation					
1 Keith Johnson	D996	RCF		\$ 37,500	\$ 50,000
2 Mayfield Irr Co	E067	RCF		187,500	250,000
3 Rock Dam Irr Co	E083	RCF		37,500	50,000
4 Leeds Water Co	E132	RCF		562,500	750,000
5 Mower Ditch Co	E133	RCF		135,000	180,000
* 6 M&M Irr Co	E136	RCF		1,031,250	1,375,000
* 7 Chester Irr Co	E138	RCF		105,000	140,000
8 Parowan City	E121	CWL		158,250	211,000
9 Woodruff Irrigating Co	D680	C&D		600,000	800,000
10 Kane County WCD	D828	C&D		1,500,000	2,000,000
11 Uintah WCD (Leota Bench)	D944	C&D		750,000	1,000,000
12 Gunnison Butte Mutual Irr Co	E004	C&D		10,500,000	14,000,000
13 City of South Jordan (Secondary Irr)	E034	C&D		2,253,000	3,004,000
14 Hyrum Blacksmith Fork Irr Co	E047	C&D		1,230,000	1,640,000
15 East Juab County WCD	E071	C&D		375,000	500,000
16 Ferron Canal & Res Co	E082	C&D		2,625,000	3,500,000
17 Whiterocks Irr Co	E084	C&D		1,500,000	2,000,000
18 Logan, Hyde Park, Smithfield Canal Co	E096	C&D		1,301,250	1,735,000
19 Newton Water Users Association	E100	C&D		1,001,250	1,335,000
20 Town of Goshen	E109	C&D		158,000	320,000
21 Weber-Box Elder Conservation Dist	E113	C&D		9,750,000	13,000,000
22 Cottonwood Creek Consolidated Irr Co	E125	C&D		3,750,000	5,000,000
23 Alton Farmers Assoc	E128	C&D		1,650,000	2,200,000
24 St George & Washington Canal Co	E129	C&D		9,750,000	13,000,000
25 Huntington-Cleveland Irr Co	E130	C&D		12,000,000	16,000,000
26 Fremont Irr Co	E131	C&D		1,500,000	2,000,000
Subtotal				\$ 64,448,000	\$ 86,040,000
TOTAL				\$ 134,633,200	\$ 168,077,200

* New Applications

INACTIVE PROJECTS

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Upper Sevier River WCD	E098

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-127**

Received: 1/15/04

Approved: 1/30/04

To be Presented at the April 30, 2004 Board Meeting

SPONSOR: **HI-COUNTRY ESTATES HOMEOWNERS ASSOCIATION**

President: Darrel Woolley

LOCATION: The proposed project is located southwest of Herriman in southwestern Salt Lake County.

EXISTING CONDITIONS & PROBLEMS: The sponsor currently supplies culinary water, through a system rated "Approved" by the Division of Drinking Water, for indoor and outdoor use to 82 residential connections; 47 "standby" connections also exist (30 sold lots with no houses built, and 17 homes with private wells). The system includes an 8-inch well, one 330,000 gallon and two 50,000 gallon steel storage tanks, and a 25 year-old pipeline distribution system in good condition.

Prior to the past several years of drought, the well produced 85 gpm but now produces about half that. The static water level in the well has dropped, and the water level recovery time (between pumping cycles) has increased. Summer water shortages have resulted, plus the sponsor must assure an adequate water supply for its ultimate 129 connections.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to drill and equip a 12-inch well, construct a pump house with chlorination facilities, and install pipeline to connect the new well to the system. Technical assistance is being provided by Psomas Consulting Engineers in Salt Lake City.

The project fits in Prioritization Category 2
(municipal project required to meet existing or
impending need).

COST ESTIMATE: The following cost estimate is based on the
engineer's preliminary design and has been reviewed
by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u> <u>Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$15,000	\$ 15,000
2.	Test Well	LS	20,000	20,000
3.	Production Well	LS	119,000	119,000
4.	Well Head Protection	LS	15,000	15,000
5.	Pump - 55 hp	LS	17,000	17,000
6.	Valves & Fittings	LS	17,000	17,000
7.	Electrical, Instrumentation, & Remote Monitor	LS	16,000	16,000
8.	Emergency Generator	LS	13,000	13,000
9.	Heating & Ventilation	LS	10,000	10,000
10.	Pump House	LS	46,000	46,000
11.	Site Grading & Restoration	LS	15,000	15,000
12.	Gravel Surface	840 SY	22.50	18,900
13.	8-inch DI Pipe	900 LF	26.00	23,400
14.	Telemetry	LS	50,000	50,000
Construction Cost				\$ 395,300
Contingencies				39,700
Legal and Administrative				13,000
Design and Construction Engineering				59,000
TOTAL				\$ 507,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$406,000	80%
Sponsor	101,000	20
Total	\$507,000	100%

If the board authorizes the project, it is suggested it be purchased in 25 years at 0% interest with annual payments of approximately \$16,300.

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, Hi-Country Estates residents could pay up to \$56.58 monthly for water. The cost of water with the proposed project, based on 129 (82 active and 47 standby) residential connections when the first annual payment is due, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$ 34,900	\$ 22.55
Capital Recovery Assessment	40,000-94,000	25.84-60.72
Proposed BWR Assistance	<u>16,300</u>	<u>10.53</u>
TOTAL	\$91,200-145,200	\$58.92-93.80

Current monthly water rates for active connections are \$16.40 base charge for up to 8,000 gallons, plus \$1.40 per thousand gallons over that. Standby connections pay \$4.50 monthly.

The Capital Recovery Assessment (staff's term) represents annual system expenses, which are paid for through an additional fee charged to users. Examples are legal fees associated with water rights, well upgrades, and an emergency connection to Herriman City's culinary water system (2002-2003).

BENEFITS:

The project will provide the sponsor an additional water source to help it in times of drought, and assure adequate water as the number of active connections increases.

PROJECT
SPONSOR:

Hi-Country Estates Homeowners Association, a nonprofit corporation, was incorporated in 1973 and is registered in good standing with the state Department of Commerce. The culinary system will not grow beyond the 129 connections it was designed to serve.

The association has not received assistance from the board in the past.

WATER RIGHTS
& SUPPLY:

The sponsor's culinary water right is:

<u>Source</u>	<u>Right No.</u>	<u>Annual Volume (ac-ft)</u>
Wells	59-1608	145.76

According to the State Engineer's office, this right is "under active litigation". The sponsor's attorney is working to segregate the disputed water, with the above volume representing the sponsor's portion.

ENVIRONMENTAL:

Little permanent disruption to the environment is expected.

WATER
CONSERVATION:

Although Hi-Country Estates lot sizes are a minimum of five acres, the State Engineer limited irrigation to 1/4 acre in 1972.

SPONSOR'S

RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the association's Articles of Incorporation and Bylaws) majority of association stock authorizing its officers to do the following:
 - a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The association is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.

b. The association has legally passed the above resolution in accordance with the requirements of state law and the association's Articles of Incorporation and Bylaws.

c. The association has obtained all permits required for the project.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The association owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

b. The association's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources.

In lieu of an attorney's opinion, the association may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

5. Obtain approval of final plans and specifications from the Division of Drinking Water and the Division of Water Resources.

6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

7. Adopt a rule prohibiting landscape irrigation from 10:00 a.m. to 6:00 p.m.

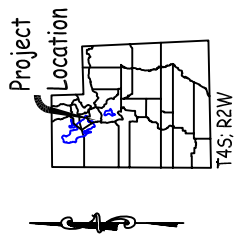
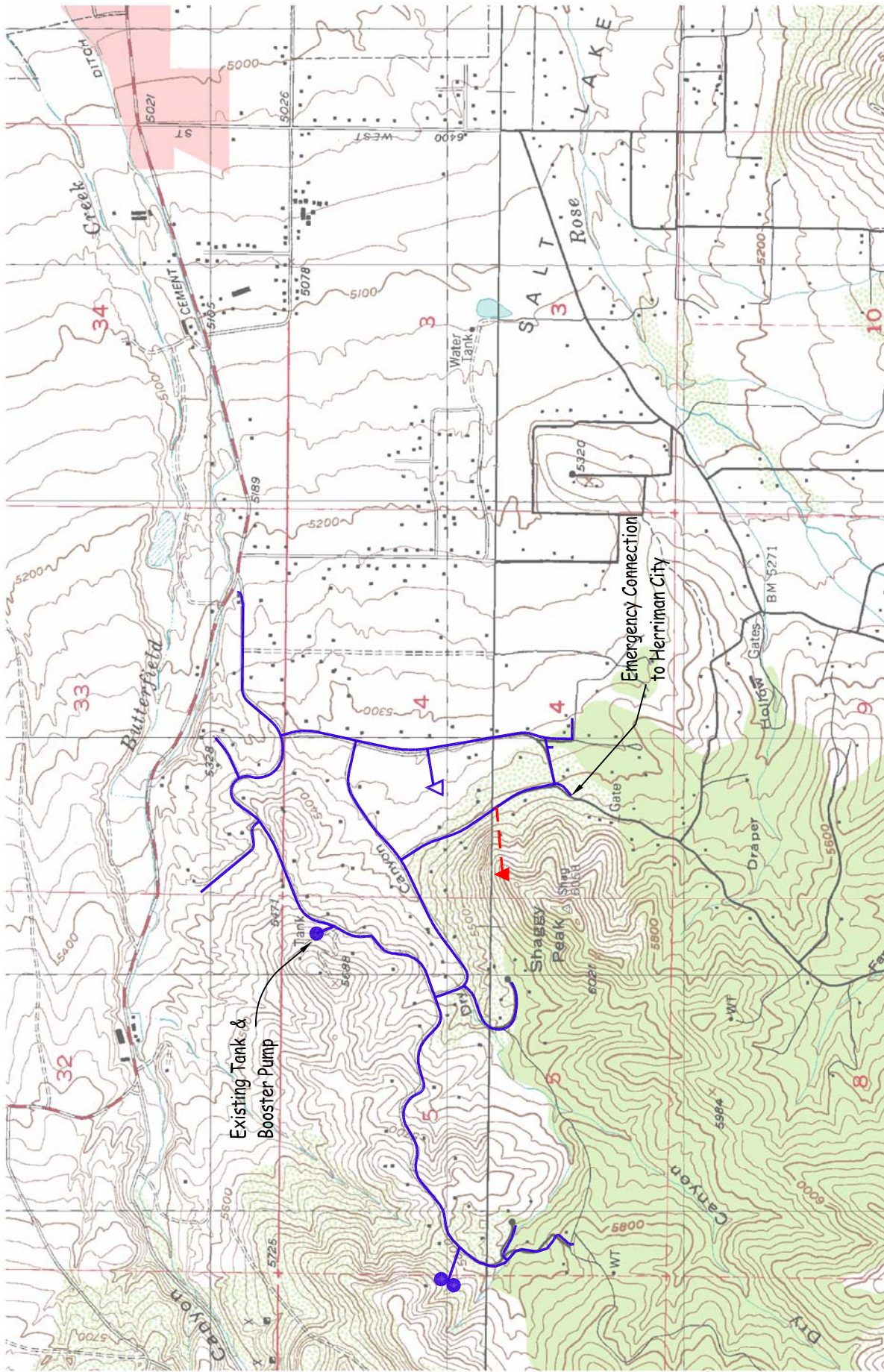
8. Work with division staff in establishing a progressive water rate schedule that will assure adequate revenue and encourage conservation.

PROJECT
CONTACT
PEOPLE:

President: Darrel Woolley
93 Canyon Road
Riverton, UT 84065
Phone: (801) 446-7176

Financial Consultant: Vern Fisher
P.O. Box 519
Spring City, UT 84662
Phone: (435) 462-2730

Engineer: Byron Colton
Psomas
2825 E. Cottonwood Parkway
Salt Lake City, UT 84121
Phone: (801) 270-5777



HI-COUNTRY ESTATES HOMEOWNERS ASSOCIATION
 Proposed Well
 Salt Lake County

- Existing Pipeline
- Existing Tank
- Existing Well
- Proposed Pipeline
- Proposed Well



BOARD OF WATER RESOURCES

Special Item

Request for Additional Funds

Conservation and Development Fund

Appl. No.: **E-117**
Received: 9/12/03
Committed: 10/31/03

To be Presented at the April 30, 2004 Board Meeting

SPONSOR: ***MOUNTAIN REGIONAL WATER SPECIAL SERVICE DIST.***

Chair: Shauna L. Kerr
60 North Main Street
Coalville, UT 84017
Phone: (435) 640-1916

LOCATION: Mountain Regional Water Special Service District covers an area of approximately 32 square miles in Summit County and consolidates culinary water services previously provided to various areas by a number of smaller water purveyors.

SUMMARY: The district currently serves approximately 2,250 connections with commitments for an additional 3,200. It owns, operates, or manages 24 wells, a spring yielding over 5,500 gallons per minute, 18 storage tanks holding over 8 million gallons, and nearly 12 miles of new major regional water transmission lines and system interconnects. The district also services and operates over 100 miles of distribution pipelines, pumping stations, and pressure regulation stations throughout the Snyderville Basin region.

In October, 2003, the district explained to the board its plan to issue one series of bonds for about \$33 million to fund culinary water pipeline extensions to interconnect existing systems, purchase water rights, install a SCADA system, and make other water system

improvements. These improvements allow for the unification and improvement of the previously fractured and largely insufficient private and public water systems serving the Snyderville Basin.

The board agreed to provide a grant of \$350,000 to buy bond insurance. The insurance was to reduce the interest rate about 0.5% and save the district approximately \$5 million in interest payments over the bond's 30-year repayment period. Subsequent to the board's action, the district obtained a bond rating lower than it had anticipated, raising the cost of bond insurance to \$598,000.

REQUEST: The district is requesting the board to provide an additional grant of \$248,000 for the cost of bond insurance. The district states that without the additional grant, some part of its system improvement program will need to be eliminated.

ECONOMIC FEASIBILITY: The benefit/cost ratio is assumed to be 1.0.

BOARD OF WATER RESOURCES

Special Item

Recommittal of Funds

Revolving Construction Fund

Appl. No.: **E-124**
Received: 12/10/03
Approved: 1/30/04
Authorized: 1/30/04
Committed: 1/30/04

To be Presented at the April 30, 2004 Board Meeting

SPONSOR: **CONSOLIDATED SEVIER BRIDGE RESERVOIR COMPANY**

President: Clyde L. Bunker
1675 North 1250 West
Delta, UT 84624
Phone: (435) 864-2575

LOCATION: Sevier Bridge Dam and Reservoir are located on the Sevier River about 15 miles southwest of Levan in Juab County.

PROJECT SUMMARY: The board committed funds to the sponsor to help repair the floor of a tunnel that makes up part of Sevier Bridge Dam's outlet conduit, demolish two sets of old control gates and their housings, and construct one new gate structure. At time of committal, the sponsor was negotiating the work as a change order to the safety upgrade of the dam (funded with dam safety grant). An initial cost oversight, coupled with higher actual costs and additional required work, have increased the cost of the project.

COSTS & COST SHARING: The original project and additional work have been completed at a cost higher than the committed cost estimate. The sponsor requests additional funds from the board to help cover the increased costs.

The committed and proposed cost sharing are:

<u>Agency</u>	<u>Committed Cost Sharing</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$ 208,000	\$ 283,000	90%
Sponsor	<u>23,000</u>	<u>32,000</u>	<u>10</u>
TOTAL	\$ 231,000	\$ 315,000	100%

PURCHASE
AGREEMENT:

The committed purchase agreement requires the \$208,000 to be returned with annual payments of \$21,000 at 0% interest over approximately 10 years. If the board commits additional funds to the project, it is suggested the \$283,000 be returned with annual payments of \$28,000 at 0% interest over approximately 10 years.

BOARD OF WATER RESOURCES

Special Item

Feasibility Report & Committal of Funds

Revolving Construction Fund

Appl. No.: **E-135**

Received: 2/25/04

Approved: 3/11/04

To be Presented at the April 30, 2004 Board Meeting

SPONSOR: **TAYLOR FLAT IRRIGATION COMPANY**

President: Robert D. Nielson

LOCATION: The proposed project is located about three miles south of Lynndyl Town, which is about 16 miles northeast of Delta in Millard County.

EXISTING CONDITIONS & PROBLEMS: The sponsor, which has four shareholders irrigating 226 acres as sole supply and 491 acres as supplemental, has two agricultural irrigation wells. Well #2 had a static water level of 120 feet when it was drilled in 1971. Although the well originally produced 5.5 cfs with an efficiency of 68%, by 1990 production and efficiency had dropped to 3.2 cfs and 41%, respectively; the static water level is currently 134 feet.

Both wells were used until 1982, at which time the sponsor sold a portion of one of its water rights to Intermountain Power Agency (IPA); sponsor shareholders also sold 85% of their shares in Central Utah Water Company (CUWCO) to IPA. From 1982 to 1992 the wells were used occasionally to supplement water rented from IPA. Well #1 has continued to be used since 1992 but Well #2 has not because of its inefficiency and because adequate flow has been available from IPA, Well #1, and the 15% retained shares in CUWCO.

IPA has informed the sponsor that, for the first time since 1983, rental water will not be available this year due to diminished water supply from drought and

the draining of Sevier Bridge Reservoir for construction work. These conditions have made it necessary for the sponsor to rehabilitate Well #2 and use it again, along with Well #1, to irrigate the acreage. In order to determine the cause for decline in water level, production rate, and efficiency of Well #2, the sponsor performed a camera survey of it. The survey revealed that many of the casing perforations (as listed by the driller) were never installed, a large percentage of the ones that were are plugged, and the bottom 79 feet of well contains sediment and debris (primarily rust nodules dislodged from the casing).

PROPOSED
PROJECT:

The sponsor is requesting financial assistance from the board to rehabilitate and upgrade Well #2 by installing new perforations, opening and developing plugged perforations, conducting pump tests, replacing pump bowls, and refurbishing the pump's electric motor. Division staff will provide technical assistance.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to area).

COST ESTIMATE:

The following cost estimate is based on discussions between staff and sponsor, with input from a local well driller:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Camera Survey of Well	LS	\$1,000	\$ 1,000
2.	Perforations			
	a. Install New	28 HR	75.00	2,100
	b. Brush Existing	18 HR	75.00	1,350
	c. Develop	24 HR	75.00	1,800
3.	Pump Test	2 EA	4,000	8,000
4.	Pump Bowls	LS	10,000	10,000
5.	Refurbish Motor	LS	2,000	2,000
Construction Cost				\$ 26,250
Contingencies				2,650
Legal and Administrative				4,000
Design and Construction Engineering				2,100
TOTAL				\$ 35,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 28,000	80%
Sponsor	<u>7,000</u>	<u>20</u>
TOTAL	\$ 35,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments of \$3,000 at 0% interest over approximately 10 years.

FINANCIAL
FEASIBILITY:

Since the proposed project is one to replace water not available this year from IPA, and the respective costs for water delivery are comparable, there is no quantifiable benefit.

Each of the three shareholders to receive water from Well #2 states he can pay \$1,000 annually to return board assistance, for a total of \$3,000.

BENEFITS:

The proposed project will allow the continued irrigation of the acreage under Well #2. The well will operate more efficiently than when last used.

PROJECT
SPONSOR:

The Taylor Flat Irrigation Company was organized in 1961 and serves four shareholders holding 632 shares; those individuals also hold 421.4 shares in CUWCO. The company is presently not registered in good standing with the state Department of Commerce.

The sponsor received \$10,000 from the board in 1962 to help drill and equip Well #1, and about \$23,000 in 1971 to help drill and equip Well #2; both projects have been purchased from the board.

WATER RIGHTS
& SUPPLY:

Water rights and flow information are:

<u>Right</u>			<u>Flow</u>	<u>Purpose</u>
<u>No.</u>	<u>Source</u>	<u>Owner</u>	<u>(cfs)</u>	
68-1842	2 Wells	Sponsor (40%)	0.8	Sole Supply: 26 ac. Stockwater: 1004 cattle
		IPA (60%)	1.2	Industrial
68-442	2 Wells	Sponsor	6.0	Sole Supply: 200 ac. Stockwater: 1004 cattle

These water rights are structured so that the 6.8 cfs can be supplied from either or both wells in any combination. The 6.8 cfs is sole supply to 226 acres and supplemental supply to the total 491 acres. Using a method referred to by the State Engineer as "segmented watering pattern", the total acreage can be irrigated. This requires that no more than 226 acres receive water at any one time until, by rotation, all acreage has been irrigated. Water from CUWCO and water rented from IPA, when available, may be used to supplement the wells.

EASEMENTS: The well is on land owned by the sponsor.

ENVIRONMENTAL: No environmental impact is expected as a result of the project.

WATER
CONSERVATION: The sponsor closely monitors water use and works to minimize waste.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Become registered in good standing with the state Department of Commerce.

2. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

3. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

- a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.

- b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.

b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

c. The company has obtained all permits required for the project.

5. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

b. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.

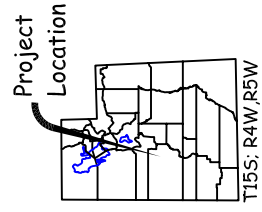
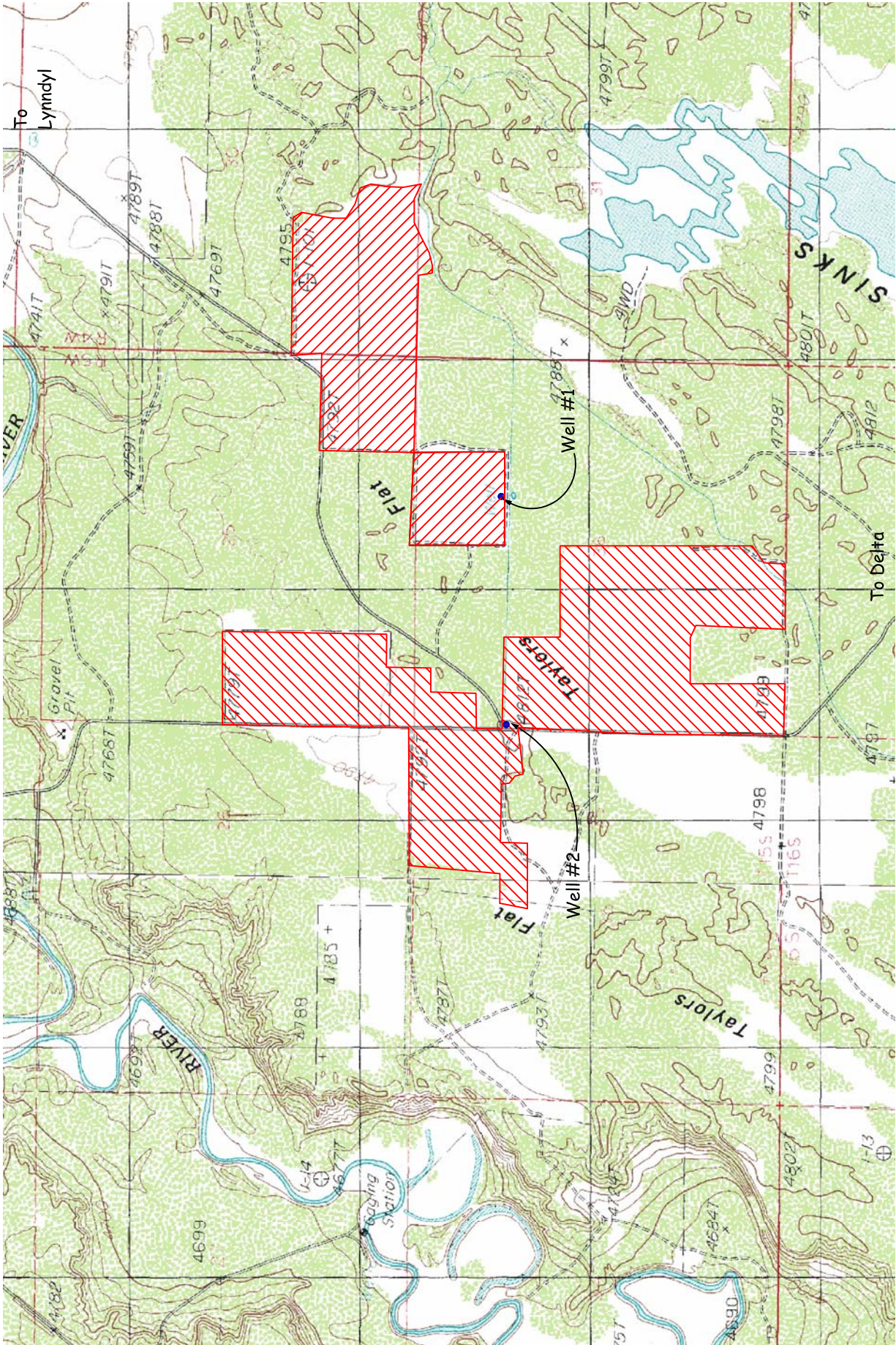
In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

7. Obtain an IRS Employer Identification Number.

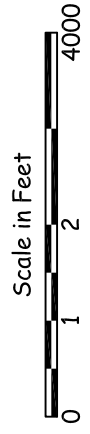
STAFF COMMENTS: The sponsor has completed most of the Sponsor's Responsibilities and is desirous of completing the project in anticipation of this year's irrigation season. Staff therefore suggests that, if the board authorizes the project, it also commit funds.

PROJECT	President:	Robert D. Nielson
CONTACT		P.O. Box 40214
PEOPLE:		Lynndyl, UT 84640
		Phone: (435) 857-2512
	Secretary:	Junius Anderson
		P.O. Box 172
		Oak City, UT 84649
		Phone: (435) 846-2231
	Water Master:	Alan Nielson
		P.O. Box 40248
		Lynndyl, UT 84640
		Phone: (435) 857-2520



- Area Served by Well #2
- Area Served by Well #1

TAYLOR FLAT IRRIGATION COMPANY
Proposed Well Rehabilitation Project
Millard Co.



BOARD OF WATER RESOURCES

Special Item

Application Summary, Feasibility Report, and Committal of Funds

Conservation and Development Fund

Appl. No.: **E-137**

Received: 3/11/04

To be Presented at the April 30, 2004 Board Meeting

SPONSOR: **CITY OF ST. GEORGE**

Mayor: Dan McArthur
175 East 200 North
St. George, UT 84770
Phone: (435) 634-5800

LOCATION: The proposed project is located near the Quail Creek South Dam, about ten miles northeast of St. George in Washington County.

SUMMARY: As St. George continues to grow, the delivery of water to current and future residents remains a major priority. Although the city is capable of producing just over 40 million gallons per day (MGD) of culinary water, 20 million gallons of which comes from the Quail Lake water treatment plant, additional capacity is needed to support growth (last summer the peak demand reached 40 MGD).

St. George is planning to expand the Quail Lake treatment plant by 20 MGD, up to a total of 40 MGD. Construction of the \$31 million project will begin this summer and be completed for use next year. The city will meet increased demand the summers of 2004 and 2005 by increasing production from culinary wells, implementing conservation and, if needed, restricting use.

REQUEST:

The city is requesting the board provide a grant of \$145,000 to purchase bond insurance. The insurance will reduce the interest rate about 0.8% and save the city approximately \$2.7 million in interest payments over the bond's 20-year repayment period.

The bond sold at a net interest rate of 4.04%.

ECONOMIC
FEASIBILITY:

The benefit/cost ratio is assumed to be 1.0.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-136***

Received: 3/5/04

SPONSOR: ***M & M IRRIGATION COMPANY***

President: Frank Eliason
P.O. Box 447
Moroni, UT 84646
Phone: (435) 436-8588

LOCATION: The proposed project is located between Moroni and
Mt. Pleasant in Sanpete County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace about
7 1/2 miles of meandering irrigation canal with 4 1/2
miles of pipeline.

WATER RIGHTS: 65-3199, 3208, 3219, 3241, 3257

COST ESTIMATE: \$1,375,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-138***

Received: 3/31/04

SPONSOR: ***CHESTER IRRIGATION COMPANY***

Vice-President: Scott Sunderland
P.O. Box 3104
Chester, UT 84623
Phone: (435) 851-6470

LOCATION: The proposed project is located two miles northeast of the community of Chester, which is about four miles south of Moroni in Sanpete County.

PROPOSED PROJECT: The sponsor is requesting assistance to raise the spillways of five irrigation ponds to restore a portion of capacity lost to sedimentation. Slide gates will be added to the spillways, replacing flashboards, to simplify control of pond water elevations and allow safe and effective passage of high stream flows.

WATER RIGHTS: 65-2246 for the storage of 545 acre-feet.

COST ESTIMATE: \$140,000

Unapproved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
March 11, 2004

Crystal Inn
1450 South Hilton Drive
St. George, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the January 30, 2004 Board meetings were approved with suggested changes. page 1
2. The Board committed \$2.8 million (77.8%) to the Mosby Irrigation Company to be returned in 59 years at 0% interest with escalated annual payments. page 2
3. Funds were committed to the Washington County Water Conservancy District in the amount of \$2 million at 2% interest with a parity bond to be repaid over 25 years. page 2
4. The Board committed funds to the Kanab Irrigation Company in the amount of \$377,000 (75%) at 0% interest to be repaid at about \$16,400 over approximately 23 years. page 3
5. Funds were committed in the amount of \$850,000 (90%) to the Town of Springdale to be repaid over an 18-year period at 1% interest with payments escalating from \$9500 to \$104,000. page 3
6. The Board committed funds to the South Willard Water Company in the amount of \$300,000 (68%) to be purchased with annual payments of \$15,000 at 0% interest over approximately 20 years. page 3
7. The Hooper Irrigation Company contract was amended to provide 85% of the total cost of Phase I up to \$4.717 million. Funds will be returned in 25 years at 3% interest with annual payments ranging from approximately \$199,000 to \$382,000. page 4
8. Holliday Water Company is to make a resolution or a by-law and notice sent to all customers that watering will be prohibited between 10 a.m. and 6 p.m. page 4
9. A grant was provided to Pleasant Grove City in the amount of \$115,000 to purchase bond insurance. page 5
10. The Board provided a grant to the Metropolitan Water District of Salt Lake and Sandy in the amount of \$500,000 to buy bond insurance for the March 2004 bond. page 5
11. The Board granted an extension to the Uintah Water Conservancy District's Flaming Gorge Water Right until July 1, 2006. page 5

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Thursday, March 11, 2004 at the Crystal Inn, 1450 South Hilton Drive, St. George, Utah. Chair Riley presided over the 9:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Paul Riley
Harold Shirley
Bill Marcovecchio
George Harmond, Jr.
Paul McPherson
Ivan Flint
Warren Peterson
Brad Hancock

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Russell Hadley, Engineer
Mike Suflita, Engineer
Dave Cole, Engineer
Michael Talbot, Engineer
Molly Waters, Water Conservation Coordinator
Barbara Allen, Secretary
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Sherm Hoskins, Deputy Director, Department of Natural Resources
Randy Parker, C.E.O., Utah Farm Bureau
Louise Liston, President, Wide Hollow Water Conservancy District
John Johnson, Redmond Irrigation & Buildings

Ron Thompson, District Manager, Washington County Water Conservancy District

OTHERS PRESENT CONT'D:

Theo Cox, Vice-president, Hooper Irrigation Co.

Brad Fowers, Board, Hooper Irrigation Co.

Tracy Allen, J U B Engineers

John Robert Carman, General Manager, Metropolitan Water District of S.L. & Sandy

Lon Richardson, Jr. Trustee, Metropolitan Water District of S.L. & Sandy

Scott Robertson, Principal, Lewis Young Robertson & Burningham

George Grover, President, Holliday Water Co.

Marlin Sundberg, Manager, Holliday Water Co.

Tom Austin, Funding Technician, Sunrise Engineering

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
March 11, 2004

Chair Riley welcomed everyone at the meeting and introduced Randy Parker of the Utah Farm Bureau. Mr. Parker said he was glad to be at the meeting, "Water's a critical issue for farmers and ranchers and all of us in Utah."

Mr. Riley introduced Louise Liston of the Wide Hollow Water Conservancy District. Ms. Liston gave the Board an update on the federal funding for the New Wide Hollow Reservoir as the Board's funding is contingent on obtaining the federal funding.

APPROVAL OF THE MINUTES

Warren Peterson made the motion, seconded by Paul McPherson to approve the minutes of the January 30, 2004 meetings with suggested changes. The Board agreed unanimously.

WATER SUPPLY REPORT

Randy Julander said this year is the best year water-wise that we've had in a long long time. The Bear River area has the greatest concern in terms of snowpack, projected streamflow and reservoir storage. The Bear River is at about 80% of average while the rest of the state is around 100%.

He said the Virgin and the Escalante rivers are already above their April 1 average. He said this is the first time in a couple of years that streamflow is making it into the Upper Enterprise Reservoir. Statewide the reservoirs are only about 40% of capacity.

Mr. Julander said in general context drought conditions are improving in the state. He said six months ago the state was in an "extreme drought" and currently it has improved to "severe drought".

The projected temperature outlook for the next three months is warmer than normal. This could shift the snow melt forward maybe a week or two depending on how warm it gets and how fast. The low elevation snowpack is a very key indicator in the next two months. If a good flush of water comes early from the low elevation snowpack it will be good, however there is the potential all of it could be lost.

COMMITTAL OF FUNDS

#D-730 Mosby Irrigation Company

Steve Wilde said in January of this year the Board authorized \$2.8 million to the Mosby Irrigation Company to complete construction of Red Wash Dam, dike, and spillway. Mr. Wilde said the company stockholders met with staff and the State Engineer's staff, as directed by the Board, regarding the choice of an independent inspector. The design done by CH2M Hill is well done and has been reviewed and approved by division staff and the Dam Safety section of the State Engineer's office.

Brad Hancock made the motion to commit funds to the Mosby Irrigation Company in the amount of \$2.8 million (77.8%) to be returned in 59 years at 0% interest with escalated annual payments. Ivan Flint seconded the motion and it was unanimously agreed upon by the Board.

#D-925 Washington County Water Conservancy District

Chair Riley introduced Mr. Ron Thompson, District Manager. Steve Wilde reported the project is located between Gunlock Reservoir and the City of Santa Clara, northwest of St. George in Washington County. The Board authorized a project to install transmission pipeline from Gunlock Reservoir to Santa Clara to provide water to Ivins Irrigation Company, New Santa Clara Field Canal Company, St. George Clara Field Canal Company and the Paiute Shivwits Indian Reservation. It also included construction of a limited pressurized secondary irrigation system in Santa Clara. This request is for just the transmission pipeline portion of the authorized project.

The transmission pipeline will deliver water from Gunlock Reservoir as well as be part of a system that will carry reuse water from the St. George City wastewater treatment facility to nearby areas, which will require a larger diameter pipe than was proposed in the authorized project. Also, over 12,000 feet of pipe was added, taking the lower end of the pipeline past Santa Clara. The project cost has risen due to increased size and length of the pipeline, and higher than anticipated costs to prepare an environmental assessment and settle water rights issues.

Ron Thompson said the district appreciated all the Board had done for the area in the past, and explained the history of how the project originated. When the district first started working on the project in 1994 there was a claim by the Shivwitz Band they had a water right between Gunlock Reservoir and the communities of Ivins, Santa Clara and West St. George. They said the district couldn't have a right-of-way through the reservation until the water rights issue was solved; a settlement was negotiated and finalized through the courts.

Harold Shirley made the motion to commit funds in the amount of \$2 million at 2% interest with a parity bond to be repaid over 25 years. Bill Marcovecchio seconded the motion and the Board agreed unanimously. Mr. Shirley complimented Mr. Thompson on the excellent job he did in negotiating with the Shivwitz Band and environmental issues and also his ability to save a considerable amount of money.

#D-968 Kanab Irrigation Company

Steve Wilde reported last December the Board authorized \$377,000 to Kanab Irrigation Company as part of a half million dollar project to equip a new irrigation well, add cleaning access manholes to, and clean an existing 24-inch transmission pipeline, and install about 5,700 feet of new 10 and 30-inch transmission pipeline.

Harold Shirley made the motion to commit \$377,000 (75%) at 0% interest to Kanab Irrigation Company to be repaid at about \$16,400 over approximately 23 years. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

#E-118 Town of Springdale

Steve Wilde reported Springdale is requesting financial assistance to improve the town's culinary water and pressurized irrigation systems by enlarging an existing settling pond and lining it with concrete, installing pipeline to connect the pond to the town's culinary water treatment plant and an existing well to the irrigation system, rehabilitating pump stations at two well sites, and installing telemetry on both culinary and irrigation systems.

Harold Shirley made the motion to commit funds in the amount of \$850,000 (90%) to the town of Springdale over an 18-year period at 1% interest with payments escalating from \$9500 to \$104,000. Paul McPherson seconded the motion and it was unanimously agreed upon by the Board.

#E-119 South Willard Water Company

Steve Wilde reported the company is requesting financial assistance to improve its culinary water system by constructing a 700,000 gallon concrete storage tank. Harold Shirley made the motion to commit \$300,000 (68%) to the company to be purchased with annual payments of \$15,000 at 0% interest over approximately 20 years. Brad Hancock seconded the motion and the Board agreed unanimously.

SPECIAL ITEMS

#E-060 Hooper Irrigation Company

Chair Riley introduced Theo Cox, Bret Fowers and Tracy Allen. Russell Hadley reported the Board authorized a four-phased pressurized irrigation system to serve agricultural and residential users. The pipeline portion (15 miles of 30-to 4-inch) of the project's first phase is complete, and the regulating reservoir and pump station portion is under construction.

Three factors have necessitated an additional \$750,000 be procured to continue and add to the current work: 1) the regulating reservoir will cost more than the engineer estimated, 2) the

company would like to install an additional 8,000 feet of pipe now (originally planned for the next phase), as the city's roads are dug up for nearby sewer lines, and 3) the company would like to take advantage of an offer to sell it about five acres of land needed for a future regulating reservoir. The overall project is estimated to cost \$19.5 million. Staff recommends the Board's share remain at 85% and bring the current total amount being loaned to \$4.717 million.

Tracy Allen said they didn't plan on starting a second phase until probably 2005, however with new prospective subdivisions being built this summer, it became apparent they needed to proceed. Chair Riley asked if the water was going to be metered. Mr. Allen said no they only have connection sizes and connection fees as an incentive to use less water.

Ivan Flint made the motion, seconded by Bill Marcovecchio to amend the Hooper Irrigation Company contract to provide 85% of the total cost of Phase I up to \$4.717 million. The Board funds will be returned in 25 years at 3% interest with annual payments ranging from approximately \$199,000 to \$382,000. The Board unanimously agreed.

#E-122 Holliday Water Company

Chair Riley introduced George Grover, president; Marlin Sundberg, manager; and Tom Austin, of Sunrise Engineering. Steve Wilde reported in January the Board authorized \$1.5 million to the Holliday Water Company to help improve its culinary water system by constructing a three million gallon concrete storage tank, adding 2 ½ miles of looping pipeline to the system, and installing a booster pumping station. The company is working to complete requirements for committal of funds, one of which is "Adopt a rule prohibiting its residential users from irrigating landscapes between the hours of 10:00 a.m. and 6:00 p.m."

After the Board authorized the project the company reconsidered the daytime irrigation prohibition and decided it wouldn't work well for the water company operations. They asked that the rule prohibiting 10 a.m. - 6 p.m. irrigation not be required. Mr. Sundberg said the reason they would like this eliminated is because 1/3 of their water source is from a spring that doesn't have a shutoff between 10 a.m. and 6 p.m. and whatever doesn't get used goes out to the Great Salt Lake; they would like to have people use the water rather than have it run down to the lake. Mr. Sundberg said they could make the rule if required, however they do not have enough personnel to enforce it; the company has already sent a letter to its stockholders recommending they not water between 10 a.m. and 6 p.m.

After considerable discussion, Bill Marcovecchio suggested they make the rule, and suggested they do the best they can to enforce it. The company must follow the Board's guidelines. Mr. Marcovecchio made the motion a resolution or a by-law be made and notice be sent to all customers that watering will be prohibited between 10 a.m. and 6 p.m. Brad Hancock seconded the motion and it was unanimously agreed upon by the Board.

#E-126 Pleasant Grove City

Chair Riley introduced Scott Robertson. Steve Wilde reported several years ago the Board provided financial assistance to Pleasant Grove to help it build the first phase of its \$16.735 million project. The 2nd and 3rd phases of the project will now be funded by a \$5 million Central Utah Water Conservancy District grant and an \$11.735 million bond issue. The city is requesting the Board provide a grant of \$115,000 to purchase bond insurance.

Paul McPherson made the motion seconded by George Harmond, Jr. to provide a grant to Pleasant Grove City in the amount of \$115,000 to purchase bond insurance. The Board agreed unanimously.

#E-134 Metropolitan Water District of Salt Lake and Sandy

Chair Riley introduced John Carman, Lon Richardson and Scott Robertson. Dennis Strong reported the district is planning to begin construction of three major multifaceted municipal water projects that will allow it to increase its capacity to treat and transport water in the Salt Lake Valley. These projects are: 1) The Point of the Mountain Water Treatment Plant and Aqueduct unit to be designed to convey water from the Provo Reservoir Canal or the Jordan Aqueduct to the Point of the Mountain Water Treatment Plant, 2) The 15000 South Pipeline unit to provide a connection between the Jordan Aqueduct to the Point of the Mountain Aqueduct, 3) the Little Cottonwood Water Treatment Plant Expansion unit that will modify the headworks of the Little Cottonwood Water Treatment Plant to expand the capacity.

The district will finance the work with two, \$90 million bonds. It will sell the first bond in March, 2004, and the second one early next year, and therefore, is requesting the Board provide a grant for bond insurance for the first bond.

Mr. Richardson and Mr. Carman explained the district's plans for expansion. Bill Marcovecchio made the motion the Board provide a grant of \$500,000 to the Metropolitan Water District of Salt Lake and Sandy to buy bond insurance for the March, 2004 bond. Paul McPherson seconded the motion and the Board agreed unanimously.

FLAMING GORGE WATER RIGHT REQUEST

Dennis Strong said the Uintah Water Conservancy District requested its Flaming Gorge water right be extended until December 1, 2006. The Board's administrative rules limit time extensions to two years, therefore it could only be extended to July 1, 2006. The district is in the process of obtaining an ARDL loan from the Utah Department of Agriculture, and the extension of time will allow them to receive funding to put this water to use. Brad Hancock made the motion seconded by Warren Peterson to extend the Uintah Water Conservancy District's Flaming Gorge water right of 51,800 acre-feet until July 1, 2006. The Board agreed unanimously.

Dennis Strong reviewed the history and the process for obtaining a Flaming Gorge water right with the Board. He said by 2002 all applicants were required to create a water management conservation plan, and if they were a political subdivision they had to put the water to use by July 1, 2004 or request an extension. All applicants will be notified by letter reminding them of the July 1, deadline. Director Anderson reminded the Board that their rule read: "Prior to the expiration of the completion period set by the Board, the Board may upon a written request extend the assigned application by a period of time not to exceed two years." They also must state what they're doing to prove up on the right.

Director Anderson said the water rights for the Kane County Water Conservancy District and the Washington County Water Conservancy District are being held by the Board as staff knew they wouldn't be ready to use the water before 2009. All others have been sent to the applicants to do whatever they need to do to prove up on the water.

DIRECTOR'S REPORT

Director Anderson asked Eric Millis to review the results of the 2004 Legislative Session with the Board. Mr. Anderson reminded the Board elections will be held in the April Board meeting for Chair and Vice-chair for the current year. Director Anderson introduced Barbara Allen of division staff who was attending the meeting as Nancy was unable to attend.

NEXT BOARD MEETING

A tour will be held on April 29, 2004 to begin at the Metropolitan Water District of Salt Lake and Sandy office. It will begin there about 9:30 a.m. Those who need help finding the office may go to the Department of Natural Resources Building and ride with staff. The Briefing Meeting will be held at the district's office after the tour. The Board meeting will be held April 30, 2004 at 8:30 a.m. at the Department of Natural Resources Building.

Meeting adjourned at 11:27 a.m.

Approved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

January 30, 2004

Division of Water Resources
Room 314
1594 West North Temple
Salt Lake City, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
January 30, 2004

The Board of Water Resources held a briefing meeting on January 30, 2004, at 9:00 a.m. at the Division of Water Resources, Room 314, 1594 West North Temple, Salt Lake City, Utah.

The following people were in attendance:

BOARD MEMBERS

Paul Riley
Harold Shirley
Brad Hancock
George Harmond, Jr.
Paul McPherson
Bill Marcovecchio
Ivan Flint
Warren Peterson

STAFF MEMBERS

Larry Anderson - Director
Dennis Strong – Deputy Director
Eric Millis – Assistant Director
Steve Wilde – Chief, Investigations
Nancy Fullmer – Administrative Secretary
Todd Adams – Chief, Hydrology and Computer Applications
Shalaine DeBernardi – Engineer
Tom Cox – Engineer
Val Anderson – Engineer
Bill Leeftang – Chief Engineer

VISITORS

Sherm Hoskins, Asst. Director, Department of Natural Resources
Dean Anderson, Consolidated Sevier Bridge Reservoir Co.
Clyde Bunker, Consolidated Sevier Bridge Reservoir Co.

Chair Riley called the briefing meeting to order and welcomed everyone. He talked about the excellent AWRA Conference he attended on January 20 where Warren Peterson participated in a panel discussion with Jerry Olds and Clyde Bunker on water management in times of drought.

Steve Wilde introduced Shalaine DeBernardi as the new Contracts and Bond Officer for the Division. She is replacing Boyd Phillips, who recently retired. Ms. DeBernardi said she has worked for the Division for about 12 years as a design engineer and more recently in the dam safety program. The Board members congratulated her on her promotion.

Dennis Strong said the Board members would be invited to the dedication celebration for the Diamond Fork project in July. He also said bids on the Big Sand Wash project came in under the engineer's estimate.

Mr. Strong handed out copies of the "Water for Utah" booklets that will be given to the legislators at the budget hearing next week. He reviewed the booklet and talked about the status of funds. Bill Marcovecchio talked about an article he read in the "Enterprise Newspaper" that was written by Senator Howard Stephenson regarding the Board's funding programs. He requested a copy of the booklet to give to Senator Stephenson.

The Board members discussed how the 1/16% sales tax monies have been divided and used. Ivan Flint said he wanted to give copies of the information to staff in the Governor's office. Warren Peterson suggested including a copy of the table that was prepared for the task force report he worked on.

Director Anderson invited the Board members to attend the budget hearing on February 4 at the State Capitol Building. He said in the past some of the Board members have attended the hearing and the Board chair has been invited to say a few words and introduce the Board members.

The Board members discussed the arrangements for the Water Users Workshop in St. George in March. They were asked to contact Nancy regarding their reservations.

DISCUSSION OF PROJECTS

Steve Wilde said Tom Cox was invited to the Briefing meeting to answer questions about the project for the New Escalante Irrigation Company. The Board members expressed concern about the benefit-cost ratio. Director Anderson said the company is trying to obtain a grant from the federal government; the Board members need to decide if they support the project, and make the approval contingent on receiving federal funds. Mr. Cox talked about the environmental assessment and the protests filed by the environmentalists. Dennis Strong discussed the existing Wide Hollow Dam that needs to be repaired or replaced, and said the sponsor has already received some funding from the Dam Safety Program that would need to be returned if construction on the replacement dam has not started within five years.

Val Anderson explained the request from the Mosby Irrigation Company. He said the Board would need to reauthorize the project since it has changed from the original project that was authorized. The Board members expressed concerns about the benefit-cost ratio and the sponsor doing the construction work rather than hiring a contractor. Director Anderson explained the sponsor rejected the previous bids because they were too high. He also said the sponsor would be required to resubmit plans and specifications and provide adequate inspection by an inspector hired by the engineer. Mr. Anderson explained the sponsor feels the project can be constructed for less than the engineer's estimate and requested a repayment of \$47,000 for 60 years. Staff suggested the payments should start out low but increase in the later years after a previous loan is paid off.

Steve Wilde explained the request for funds from the Holliday Water Company to build a three million gallon water storage tank. He said staff recommended the minimum repayment terms of 10 years at 5% interest because of the median income and number of connections involved. Mr. Strong said the sponsor cannot go to the bond market since it is not a district or city.

Tom Cox described the request from the New Santa Clara Field Canal Company for committal of funds and explained the changes since the project was authorized. The company wants to proceed with construction on the secondary irrigation system. The Washington County Water Conservancy District will install the transmission pipeline and will ask for funding from the Board under a separate application. Staff recommends the increased amount be returned at 3.5% interest in the same amount of time as authorized with higher annual payments.

Harold Shirley explained the two-phased project for Tropic & East Fork Irrigation Company; the sponsor is ready to proceed with Phase I with funding from the Board. The grant from the Upper Sevier River Water Conservancy District is earmarked for Phase II only.

Steve Wilde said the project for Dammeron Valley Water Works changed slightly since authorization but the proposed cost estimate and cost sharing remain the same as authorized. Harold Shirley said the sponsor would not be attending the Board meeting.

Mr. Wilde said the request for funds from the Consolidated Sevier Bridge Reservoir Company was listed under Special Items because the application came in after the December Board meeting and the sponsor is requesting authorization and committal of funds. Mr. Strong said the project is an extension or continuation of the recently completed dam safety project. Paul McPherson explained the proposed project is currently under construction. Director Anderson said the sponsor would show a power-point presentation of the repairs to Sevier Bridge Reservoir and the current construction work during the Board's lunch break.

Harold Shirley said the Enterprise Reservoir and Canal Company called him then sent a letter requesting the Board postpone its payments for one year on two separate projects and forgive the 3% interest for one year on the sprinkler irrigation project. He said the sponsor would have a difficult time making its March payments due to the severe drought and the extremely low water supply and crop production last year. Director Anderson said staff

recommends the Board authorize an amendment to its agreement with the sponsor which would postpone the 2004 payments for one year and make all currently scheduled principal and interest payments due one year later than presently required. No interest would accrue from March 1, 2004 through February 28, 2005.

Steve Wilde mentioned the three new applications that were received since the previous Board meeting. Bill Marcovecchio talked about a phone call he received from Rod Dansie saying he wants to reapply to the Board but the project has not changed. Dennis Strong said he or Steve Wilde could accompany Mr. Marcovecchio to meet with him.

LEGISLATIVE REPORT

Eric Millis handed out a booklet containing a list of the legislators on the committees associated with the Department of Natural Resources. He also handed out a memo he prepared on the bills relating to water in this year's legislative session. He explained two of the bills that would directly affect the Board and Division – HB 71 (Water Conservation Plans) and HB 104 (Filing and Perfecting of Water Rights). He also reviewed some of the other water bills of interest.

After a short discussion of the bills, the Board members thanked Mr. Millis for his good report. Director Anderson told the Board members to contact Mr. Millis if they wanted an update or had questions about any of the legislation.

Director Anderson encouraged the Board members to read the article by the High County News that he included in the Board folder.

The briefing meeting adjourned at 11:30 a.m. During lunch the Board members watched a power point presentation of the repair of the Sevier Bridge Dam and Reservoir given by Dean Anderson and Clyde Bunker from the Consolidated Sevier Bridge Reservoir Company.

Approved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
January 30, 2004

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the December 12, 2003 meetings were approved as prepared. page 1
2. The Board authorized the New Escalante Irrigation Company project in the amount of \$300,000 (3%) at 1% interest to be returned over no more than 50 years with final payment terms to be determined at committal of funds. The dam safety grant funds of \$3.78 million (41%) to upgrade the Wide Hollow Dam can be used toward the construction of the new dam. page 3
3. The Holliday Water Company project was authorized in the amount of \$1.5 million (42%) to be purchased in 10 years at 5% interest with annual payments ranging from approximately \$177,000 to \$254,000. The company's attorney is to provide an opinion regarding the company only using about half of its allocated water right. page 3
4. Funds were committed to the New Santa Clara Field Canal Co. in the amount of \$1.445 million (85%) to be returned in approximately 25 years at 3.5% interest with annual payments of \$87,700. page 4
5. The Board committed funds to the Tropic and East Fork Irrigation Co. (Phase I) in the amount of \$600,000 (92%) to be returned at 1.5% interest over approximately 25 years with annual payments of \$29,000. page 4
6. Funds were committed to the Dammeron Valley Water Works (The Dammeron Corporation) in the amount of \$310,000 (80%) to be returned in 10 years at 0% interest with annual payments starting at \$19,000 and increasing to about \$51,000. page 5
7. The Mosby Irrigation Company project was reauthorized and funds were committed in the amount of \$2.8 million (77.8%) to be purchased with annual payments of \$47,000 at 0% interest over approximately 60 years. page 6
8. The Board authorized and committed funds to the Consolidated Sevier Bridge Reservoir Co. in the amount of \$208,000 (90%) to be purchased with annual payments of \$21,000 at 0% interest over approximately 10 years. page 7
9. The contracts of #K203 and #N236 for Enterprise Reservoir and Canal Co. were amended and the March 1, 2004 payments were postponed until March 1, 2005 and #N236 no interest will accrue from March 1, 2004 through February 28, 2005. page 7

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, January 30, 2004 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Riley presided over the 1:00 p.m. meeting.

BOARD MEMBERS PRESENT:

Paul Riley
Harold Shirley
Bill Marcovecchio
George Harmond, Jr.
Ivan Flint
Paul McPherson
Brad Hancock
Warren Peterson

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Bill Leeftang, Chief Engineer
Todd Adams, Chief, Hydrology and Computer Applications
Val Anderson, Sr. Engineer
Tom Cox, Sr. Engineer
Gina Hirst, Engineer
Ann Merrill, Engineer
Marisa Egbert, Engineer

OTHERS PRESENT:

Sherm Hoskins, Asst. Director, Department of Natural Resources
Jerry Olds, State Engineer
Dave Marble, Geotechnical Engineer, Division of Water Rights
Brad Nelson, Engineer, Weber Basin Water Conservancy District
Jack Barnett, Engineering Manager, Bear River Commission

OTHERS PRESENT CONT'D:

Bartt Carter, President, New Escalante Irrigation Company
Kim Keefe, Secretary, New Escalante Irrigation Co.
Curtis Koyle, Board member, New Escalante Irrigation Co.
Wayne Coleman, Board member, New Escalante Irrigation Co.
Gary Harding, Board member, New Escalante Irrigation Co.
Richard Noble, Principal, Franson Noble Engineering
Paul Wright, Area Manager, Franson Noble Engineering
Bruce Richeson, Special Asst. Senator Robert Bennett's office

George Grover, President, Holliday Water Co.
Marlin Sundberg, Manager, Holliday Water Co.
Tom Austin, Sunrise Engineering
Bob Davis, Sunrise Engineering

Jim Ence, President, New Santa Clara Field Canal Co.

Lance Luck, President, Mosby Irrigation Co.
David L. Murray, Director, Mosby Irrigation Co.
Brian O. Murray, Shareholder, Mosby Irrigation Co.
Martin Huber, Director/Secretary, Mosby Irrigation Co.
Elmer Ekins, Shareholder, Mosby Irrigation Co.

Clyde Bunker, President, Consolidated Sevier Bridge Reservoir Co.
Dean S. Anderson, Secretary, Consolidated Sevier Bridge Reservoir Co.

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
January 30, 2004

Chair Riley welcomed everyone to the meeting.

APPROVAL OF THE MINUTES

Bill Marcovecchio made the motion, seconded by Brad Hancock to approve the minutes of the December 12, 2003 meetings as prepared. The Board agreed unanimously.

WATER SUPPLY REPORT

Randy Julander said there is finally good news. The entire state with the exception of the Escalante and the Virgin River has close to average snowpack. On January 1 the Bear River Basin was almost 120% of average, and on January 30 it is about 90% because of the lack of snowfall during the month of January. If it keeps going the same way, the Bear River Basin will end up somewhere around 67% of average.

Soil moisture status is virtually the same as last year. A significant portion of snowpack has gone to replenish the soil moisture. Reservoir storage is down another 400,000 acre-feet from last year and reservoirs will take a long period of time to fill.

Ivan Flint asked how many years it would take at above normal precipitation to get the state back to normal. Mr. Julander said for most parts of the state two really good years would help us feel comfortable with the exception of the Bear River Basin where it could take as long as five years.

FEASIBILITY REPORTS

#E077 New Escalante Irrigation Co.

Chair Riley welcomed Bartt Carter, president; Bruce Richeson, Special Asst. to Senator Bennett's Office; Kim Keefe, secretary; Gary Harding, Wayne Coleman, and Curtis Koyle, board members; Richard Noble and Paul Wright of Franson Noble Engineering.

Tom Cox reported the company provides irrigation water to an average of about 2700 acres of agricultural land and lawn and garden areas in and around Escalante. Water is diverted from the Escalante River for direct use in a pressurized irrigation system or stored in the Wide Hollow Reservoir for future use. When the pressurized irrigation system was installed in the early 1980s, a new dam and reservoir north of Wide Hollow was proposed as Phase II of the

project; company shareholders decided to construct a booster pumping station to provide pressure instead of the dam due to cost factors.

The Wide Hollow Dam was completed in 1954 and originally impounded nearly 2,400 acre-feet; siltation has since reduced storable water volume to about half that. The reservoir fills and spills every year and water users experience water shortages most years.

The Wide Hollow spillway will not pass the State Engineer's required design flood, and sand layers in the dam's foundation are susceptible to liquefaction during an earthquake. Major upgrades are required for the company to continue using the dam.

The company is requesting financial assistance to construct a new dam to replace the existing Wide Hollow Dam. The proposed project includes diversion/desilting structures on North and Birch Creeks, about six miles of PVC transmission pipelines from the diversions to the new reservoir and from the reservoir to the existing irrigation system, and a 120 foot-high, 900 foot-long earthfill dam with the capacity to impound 4,500 acre-feet. Technical assistance is being provided by Franson Noble Engineering of American Fork. The company would also like to make modifications to the existing Wide Hollow Dam to allow it to be operated at a much lower capacity if approved by the State Engineer.

The project is estimated to cost \$9.250 million. The company, by working through Senator Bennett's office, is seeking a federal grant in the amount of \$5 million. The company does not know, however, when those funds will be made available. It is also proposed the dam safety grant (\$3.78 million) from the Board be used toward construction of the new dam. The company is also considering a conservation pool for a cold-water fishery. If a conservation pool becomes part of the project, the amount of board financial assistance will be reduced by the amount of Division of Wildlife Resources' compensation.

The Board provided \$2 million to the company in 1981 for construction of the pressurized irrigation system; that assistance is scheduled to be paid off in 2021. The company has the right to divert 40 cfs from the Escalante River up to 9,472 acre-feet annually. The rights are currently in the name of the Board for the pressurized irrigation project. A change application was filed in 1999 to add diversion points on North and Birch Creeks, as well as a re-diversion point at the outlet of the proposed dam. No protests were filed, but the State Engineer is withholding his ruling pending decisions on the Environmental Assessment and BLM easements involved in the project.

Bruce Richeson, special assistant to Senator Bennett said Senator Bennett has committed to do everything he can to help obtain grant funds for the New Escalante Irrigation Co. He said Congress looks favorably on requests that show a great deal of participation on the part of the state and the irrigation company. He said this request will be part of the 2005 budget and funds won't be available until October 1, 2004.

Jerry Olds said the irrigation company has a lot of regulatory issues to overcome and many of those are from the State Engineer's office in regards to dam safety. He said his office

had been working with the company and feels it is proposing some reasonable solutions that will address the dam safety issues.

Director Anderson asked Mr. Carter if the local community was in favor of the project. Mr. Carter said there seems to be over 90% support for the project. After considerable discussion, Harold Shirley made the motion to authorize the New Escalante Irrigation Company project as presented in the amount of \$300,000 (3%) at 1% interest to be returned over no more than 50 years with final repayment terms to be determined at committal of funds; this is subject to availability of funds. The dam safety grant funds of \$3.78 million (41%) to upgrade the Wide Hollow Dam can be used toward the construction of the new dam. Warren Peterson seconded the motion and it was unanimously agreed upon by the Board.

#E122 Holliday Water Company

Chair Riley introduced George Grover, president; Marlin Sundberg, manager; Bob Davis, and Tom Austin of Sunrise Engineering. Gina Hirst reported the company currently serves approximately 15,000 people in Holladay City by supplying culinary water for indoor and outdoor use. Water comes from Spring Creek, wells and a connection to a pipeline of Salt Lake City's. Water is stored in a one million steel storage tank, a four million gallon concrete tank and 1.2 million gallons are stored in various tanks owned by Salt Lake City. More storage is needed for indoor, outdoor, fire protection, and emergency needs.

The Holliday Water Company is requesting financial assistance to construct a three million gallon concrete storage tank under an Olympus High School athletic practice field, install a drainage pipe from the tank to a canal, add about 2 ½ miles of looping pipeline to the system, and install a booster pumping station. The project is estimated to cost \$3.57 million. Technical assistance is being provided by Sunrise Engineering in Draper.

Based on the Board's water service affordability guidelines, Holliday Water Co. users could pay up to \$40.94 monthly for water. The cost of water with the proposed project in place would be \$20.51. The average monthly water bill is about \$32.00. Although the cost/connection/month is well below the Board's guideline, the company will likely be making additional improvements to the water system before the proposed Board assistance is returned.

Mr. Davis of Sunrise Engineering said Holliday Water Company has been very frugal with their funds and is proposing to fund the major portion of this project. Warren Peterson expressed his concern regarding a private company receiving the loan unless there is not a competitive source of private funding, a suitable interest rate is charged, and the loan fulfills the state's water policy objectives.

Bill Marcovecchio made the motion to authorize the Holliday Water Company project as presented in the amount of \$1.5 million (42%) to be purchased in 10 years at 5% interest with annual payments ranging from approximately \$177,000 to \$254,000. The company's attorney is to provide an opinion regarding the company only using about half of its allocated water right. Ivan Flint seconded the motion. The Board agreed unanimously.

COMMITTAL OF FUNDS

#E069 New Santa Clara Field Canal Co.

Chair Riley introduced Jim Ence, president. Tom Cox reported the Board authorized a project to install a limited secondary irrigation system in and around Santa Clara to serve agricultural land and residences of company shareholders. The project also included a transmission pipeline from Ivins Reservoir to Santa Clara.

Washington County Water Conservancy District (WCWCD) is taking responsibility for installing the transmission pipeline and will be before the Board (probably in March) for funding under a separate application; it intends to proceed with construction in the next couple of weeks. Bids have been opened for both the transmission pipeline and secondary irrigation system projects.

Changes during project design increased pipe footage by over a mile. The cost estimate for just the secondary system is \$1.7 million of which it is requested the Board provide 85%. Mr. Ence said the project was authorized two years ago, however the secondary system has been extended and there's been an increase in the cost of materials causing the project cost to increase.

Harold Shirley made the motion, seconded by Paul McPherson to commit funds to the New Santa Clara Field Canal Co. in the amount of \$1.445 million (85%) to be returned in approximately 25 years at 3.5% interest with annual payments of \$87,700. The Board agreed unanimously.

#E104 Tropic and East Fork Irrigation Co.

Tom Cox reported the Board authorized a two-phase project for the Tropic & East Fork Irrigation Company to replace the seven mile-long Tropic & East Fork Canal with 30 inch PVC pipe. The company is ready to proceed with Phase I, which includes just over two miles of pipeline beginning just below the canal diversion on the East Fork of the Sevier River.

Warren Peterson noted that the Upper Sevier River Water Conservancy District would be participating in the cost of Phase II. He asked what the source of the funding was. Tom Cox said it would be coming through the Central Utah Water Conservancy District as a 206 grant.

Harold Shirley made the motion to commit \$600,000 (92%) for Phase I of the Tropic and East Fork Irrigation Co. project to be returned at 1.5% interest over approximately 25 years with annual payments of \$29,000. George Harmond, Jr. seconded the motion and it was agreed upon by the Board. Warren Peterson opposed stating that he was concerned whether the project impaired return flow depended on by other water users.

#E115 Dammeron Valley Water Works (The Dammeron Corporation)

The sponsor is requesting financial assistance to improve its culinary water system by drilling and equipping a well, and constructing a concrete storage tank.

Harold Shirley made the motion to commit funds in the amount of \$310,000 (80%) to the Dammeron Valley Water Works over a 10-year period at 0% interest with annual payments starting at \$19,000 and increasing to about \$51,000. Brad Hancock seconded the motion.

Discussion occurred regarding the fact the Dammeron Corporation was a for-profit company owned by a developer. Director Anderson reminded the Board the project had previously been authorized and funds needed to be committed as authorized since the project had not changed.

Chair Riley called for a vote and the motion passed with Warren Peterson, Bill Marcovecchio and Paul McPherson opposing.

SPECIAL ITEMS

#D730 Mosby Irrigation Company

Chair Riley introduced Lance Luck, president; Martin Huber, Secretary; David I. Murray, director; and Brian O. Murray, and Elmer Ekins, shareholders.

Val Anderson reported the proposed project is located about two miles northeast of Lapoint in Uintah County. In March of 1997 the Board of Water Resources authorized a dam estimated to cost \$2.85 million. After authorization plans and specifications were completed and the project was bid out in March of 1998. The project was bid again in April, 1999, with the low bid coming in very near the first low bid. Adding engineering and other costs, both of which had risen, the total cost was \$4.29 million. Both times the bids were rejected as the company felt the bids were too high.

The company has since completed construction of the diversion structure on Deep Creek, the feeder canal, excavation of the spillway, and a large portion of the excavation needed to construct the dam and dike.

The company is requesting financial assistance to complete construction of Red Wash Dam and spillway using its own forces. The Asst. Attorney General for Natural Resources has concurred with the opinion of the company's attorney that, since the bids were rejected twice, the company has met the requirements of the Utah Code which requires, that before an organization like the company can build a dam to impound more than 100 acre-feet itself, it must be competitively bid twice.

The company has hired Engineering Services of Vernal to update the plans and specifications (originally prepared by CH2MHill in Salt Lake City) and obtain construction approval from the State Engineer.

The company has received financial assistance from the Board for three previous projects; two have been repaid. The third will be repaid in 2019. The project is estimated to cost \$3.6 million.

The State Engineer is requiring the company to hire a registered professional engineer with 10 years of dam related experience because they want to construct it themselves. Division staff concurs in this recommendation.

Mr. Luck expressed appreciation to the Board for considering their project. Mr. Dave Murray said the dam will impound Colorado River water that needs to be developed. He apologized for not returning after the first authorization for such a long time, however, the canal needed to be repaired before they could come back to this project.

Brad Hancock asked what the company was going to do regarding having a qualified inspector on the dam. Mr. Murray said he knew of three people with considerable experience that would be considered as an inspector. Mr. Flint asked if the company would hire the inspector. Mr. Murray said the engineering firm will hire him. Mr. Murray also said the irrigation company has an experienced contractor who will run the project like a construction company. Director Anderson encouraged the irrigation company to have Engineering Services hire the inspector that will meet the requirements of both the State Engineer's office and the division's office.

After discussion regarding the low benefit-cost-ratio, Brad Hancock made the motion to reauthorize the Mosby Irrigation Company project and commit funds in the amount of \$2.8 million (77.8%) to be purchased with annual payments of \$47,000 at 0% interest over approximately 60 years. Bill Marcovecchio seconded the motion, and the Board agreed unanimously.

#D955 North Canyon Irrigation Co.

The Board authorized \$315,000 to help improve the company's irrigation system serving 1,300 acres. Subsequent to authorization, the company received a grant from the Farm Service Agency for 75% of the pipeline cost and no longer needs board assistance.

#E120 Laketown Irrigation Co.

The company requested assistance to install control panels on two existing pumps in a pressurized irrigation system. It has since decided to fund the relatively small project with a bank loan.

Paul McPherson made the motion to withdraw the North Canyon Irrigation Co. and Laketown Irrigation Co. projects from further consideration by the Board. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

#E124 Consolidated Sevier Bridge Reservoir Co.

Chair Riley introduced Clyde Bunker and Dean Anderson. Warren Peterson declared a conflict of interest because his law firm represents the sponsor. Bill Leeftang reported the Sevier Bridge Dam was built in 1904 and dam safety improvements, including installation of an outlet works upstream guard gate and construction of a stability berm, were completed last fall with help from a 95% grant provided by the Board.

The 700-foot outlet conduit has two sets of control gates that do not function well; they leak and are hard to operate. In addition, 150 feet of tunnel floor has been severely eroded up to four feet through the concrete floor to bedrock; this is due to flood releases in the 1980s. The State Engineer requires the floor be repaired.

The company is requesting financial assistance to repair the tunnel floor, demolish two sets of control gates and their housings, and construct one new gate structure with an 8' by 8' gate and a 2' by 8' gate and controls. Technical assistance is being provided by Bowen, Collins & Associates in Draper.

After discussion, Paul McPherson made the motion to authorize and commit funds for the Consolidated Sevier Bridge Reservoir Co. in the amount of \$208,000 (90%) to be purchased with annual payments of \$21,000 at 0% interest over approximately 10 years. George Harmond, Jr. seconded the motion and the Board agreed unanimously. Warren Peterson abstained from voting.

#K203 Enterprise Reservoir & Canal Co.
#N236 Enterprise Reservoir & Canal Co.

Steve Wilde reported the Enterprise Reservoir and Canal Co. has an agreement (K203) with the Board to purchase a 1980 project to repair and enlarge Enterprise Dam. The next 0% payment for about \$12,900 is due March 1, 2004. The company also has an agreement (N236) with the Board to purchase a 1980's gravity sprinkle irrigation system project. The next 3% interest payment of about \$104,200 is due March 1, 2004.

The canal company has sent two letters stating the stockholders are suffering continued financial stress as a result of the extended five-year drought in Southwestern Utah, and request the Board postpone the March 1, 2004 payments one year. The company also requests the 3% interest on the pressurized sprinkler irrigation project not accrue between March 1, 2004 through February 28, 2005.

Harold Shirley made the motion to amend the contracts of #K203 and #N236 for Enterprise Reservoir and Canal Company to postpone the March 1, 2004 payments until March 1, 2005 and that on #N236 no interest will accrue from March 1, 2004 through February 28, 2005. Bill Marcovecchio seconded the motion and the Board agreed unanimously.

DIRECTOR'S REPORT

Director Anderson said he didn't have any information for the Director's Report as he had been out of the office from December 15, 2003 through January 18, 2004. He told the Board of his cruise through the Panama Canal.

NEXT MEETING

The next Board meeting will be held March 11, 2004 in St. George, Utah in conjunction with the Utah Water Users Workshop.

Meeting adjourned at 3:15 p.m.

